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**Date:** 8/7/2013

**GAIN Report Number:** VM3045

## Vietnam

**Post:** Hanoi

### MOF Raises MFN Applied Tariffs on Sweetener Products

**Report Categories:**

Trade Policy Monitoring

Sugar

Beverages

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**Report Highlights:**

On June 7, 2013, the Ministry of Finance (MOF) raised the Most-Favored Nation (MFN) applied tariffs on various sweetener products under the Harmonized Schedule (HS) 1702 four-digit code. The increase in the MFN applied tariff rate puts U.S. sweetener exporters at a disadvantage vis-à-vis countries that have preferential trade arrangements with Vietnam. The new applied MFN tariff was enforced beginning July 22, 2013.

## **Background:**

On June 7, 2013, the Ministry of Finance (MOF) raised the Most-Favored Nation (MFN) applied tariffs on various sweetener products under the Harmonized Schedule (HS) 1702 four-digit code. The following table outlines the previous applied tariff and the new applied tariff, enforced as of July 22, 2013. The increased applied tariffs remain below the bound tariff rates (20 percent) for these products, established when Vietnam acceded to the World Trade Organization.

Currently, the United States is afforded MFN-status vis-à-vis trade with Vietnam and the applied rate increase puts U.S. sweetener exporters at a disadvantage. The Vietnamese market is already shifting away from U.S. sweeteners to sweeteners sourced from countries with a preferential trade agreement with Vietnam, and thus lower tariffs on these products (such as Japan and South Korea).

In 2012, the United States shipped \$24.7 million in sugar, sweeteners, and beverage bases to Vietnam, up 76 percent from 2011.

Below is an unofficial translation of the MOF Circular announcing the MFN tariff rate increase. Note: the table provided below was modified by FAS-Vietnam to include the previous MFN applied tariff rate for reference.

Begin unofficial translation.

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**MINISTRY OF FINANCE    Hanoi, June 7, 2013**

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No: 79/2013/TT-BTC

### **CIRCULAR**

#### **Amendment of Preferential Import Tax Rates of some Products of Heading 17.2 in the List of Preferential Import Tariffs (i.e. MFN Tariff)”**

*Pursuant to the Law of Import/Export Tax dated June 14, 2005;*

*Pursuant to Resolution No. 295/2007/NQ-UBTVQH12 dated on September 28, 2007 of Permanent Committee of National Assembly (NA) regarding ratifying list of Preferential Import Tax Rates for groups of good subject to tax;*

*Pursuant to the Government Decree No. 87/2010/NĐ-CP dated August 13, 2010 regulating details on implementation of the Law of Import/Export Tax;*

*Pursuant to the Government Decree No. 118/2008/NĐ-CP dated November 27, 2008 regulating responsibilities, functions, authorities of Ministry of Finance;*

*Based on request from Director General of Tax Policy Department*

*Minister of Finance issues the Circular to amend Preferential Import Tax Rates of some Products of Heading 17.2 in the List of Preferential Import Tariffs (i.e. MFN Tariff)*

**Article 1. Amendment of preferential import tax rates**

Amendment of preferential import tax rates for certain goods of heading 17.02 listed in the List of Preferential Import tariffs in accordance with the list of taxable items specified in Section I, Annex II promulgated by the Ministry of Finance's Circular No. 193 / 2012/TT-BTC dated November 15, 2012.

**Article 2. Effective for implementation**

The Circular is effective from July 22, 2013./.

**For Minister  
Vice Minister**

**Vũ Thị Mai**

**List of Preferential Import Tariffs (MFN) of Some Products of  
Heading 17.2**

**Promulgated with the Finance Ministry's Decision No.79/2013/QĐ-BTC  
of June 7, 2013**

HS code	Description	New MFN (%)	(*)Previous MFN (%)
17.02	Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavoring or coloring matter; artificial honey, whether or not mixed with natural honey; caramel.		
	- Lactose and lactose syrups:		
1702.11.00	- - Containing by weight 99% or more lactose, expressed as anhydrous lactose, calculated on the dry matter.	0	
1702.19.00	- - Others.	0	
1702.20.00	- Maple sugar and maple syrups	10	3
1702.3	- Glucosa and glucose syrups, not containing fructose or containing in the dry state less than 20% by weight of fructose::		

1702.30.10	-- Glucosa	15	10
1702.30.20	-- Glucosa syrups	15	10
1702.40.00	- Glucosa and glucose syrups, containing in the dry state at least 20% but less than 50% by weight of fructose, including invert sugar.	15	10
1702.50.00	- Chemically pure fructosa	15	3
1702.6	- Other fructosa and fructose syrup, containing in dry state more than 50% by weight of fructose, excluding invert sugar:		
1702.60.10	-- Fructosa	15	3
1702.60.20	-- Fructosa	15	3
1702.9	- Others, including invert sugar and other sugar and sugar syrup blends containing in the dry state 50% by weight of fructose:		
	-- Maltosa and maltose syrup:		
1702.90.11	--- Chemically pure maltose	15	5
1702.90.19	--- Others	15	5
1702.90.20	-- Artificial honey, whether or not mixed with natural honey.	15	10
1702.90.30	-- Flavored or colored sugars (excluding maltose)	15	10
1702.90.40	-- Caramel	15	5
	-- Other:		
1702.90.91	--- Syrup	15	5
1702.90.99	--- Other	15	5